

## MINUTES

**North Dakota Public Employees Retirement System  
ND Association of Counties  
Thursday, February 23, 2017  
8:30 A.M.**

Members Present: Ms. Casey Goodhouse  
Mr. Mike Sandal  
Mr. Troy Seibel  
Ms. Yvonne Smith  
Ms. Kim Wassim  
Ms. Arvy Smith  
Representative Pamela Anderson  
Senator Dick Dever

Via Conference Call: Mr. Jon Strinden

Others Present: Ms. Jan Lund, NDPERS  
Ms. Kim Humann, NDPERS  
Ms. Sharon Schiermeister, NDPERS  
Mr. Bryan Reinhardt, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Ms. Aime Miller, NDPERS  
Ms. Mary Jo Steffes, NDPERS  
Ms. Mary Glasser, NDPERS  
Ms. Jan Murtha, Office of the Attorney General  
Mr. Mike Klepatz, Sanford Health Plan  
Mr. Steve Webster, Sanford Health Plan  
Mr. Danny Weiss, Sanford Health Plan  
Mr. Kevin Schoenborn, BCBSND

Chairman Strinden called the meeting to order at 8:30 am.

Chairman Strinden called for any questions or comments regarding the minutes of the January 24, 2017, Board special meeting.

**MR. SANDAL MOVED APPROVAL OF THE JANUARY 24, 2017, NDPERS BOARD SPECIAL MEETING MINUTES. THE MOTION WAS SECONDED BY MS. WASSIM AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.**

Chairman Strinden called for any questions or comments regarding the minutes of the January 26, 2017, Board meeting.

**MS. YVONNE SMITH MOVED APPROVAL OF THE JANUARY 26, 2017, NDPERS BOARD MEETING MINUTES. THE MOTION WAS SECONDED BY MS. WASSIM AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.**

## **RETIREMENT**

### **Service Purchase**

Mr. Hohbein reported that a recent analysis of service purchases at the time of conversion was conducted as a result of an internal audit finding. During the process it was discovered that when PERSlink went live in October 2010, one month of interest was not charged to 64 service purchases that were being paid in installments. Fifty-one (51) have since been paid in full with \$4,172.98 of uncollected interest. Thirteen (13) are still in payment with \$1,184.41 in uncollected interest. Five (5) had incorrect balances converted resulting in an underpayment of \$1,105.45. Information was provided about the process and cost analysis associated with collecting the missed interest. Discussion followed.

**MS. WASSIM MOVED APPROVAL OF FORGIVENESS OF MISSED INTEREST AND CONVERSION BALANCE IN ALL THREE SCENARIOS THAT WERE PRESENTED. MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Ms. Goodhouse, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim, and Chairman Strinden.

**Nays:** Mr. Sandal and Ms. Arvy Smith.

**Absent:** Representative Anderson and Senator Dever.

## **MOTION PASSED**

### **Pension Payment Deductions**

Ms. Schiermeister reviewed information shared at a 2015 board meeting concerning specific premium deductions for law enforcement members from monthly pension checks. Ms. Schiermeister outlined key areas and associated costs necessary to facilitate pension deductions by this group for non-NDPERS health premiums with modifications to PERSlink, premium authorization, and ongoing maintenance. Discussion followed.

**REPRESENTATIVE ANDERSON MOVED THAT THE PENSION PAYMENT DEDUCTION PROJECT BE DEFERRED AT THIS TIME AND BRING THE MATTER BACK FOR CONSIDERATION AT A LATER DATE. MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Ms. Goodhouse, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim, Mr. Sandal, Ms. Arvy Smith, Representative Anderson and Chairman Strinden.

**Nays:** None

**Absent:** Senator Dever

**MOTION PASSED**

**ASI Flex renewal**

Ms. Steffes presented information regarding an amendment to the renewal contract that was approved at the January meeting with ASI Flex for the period July 1, 2017 through June 30, 2019.

**MR. SANDAL MOVED TO APPROVE THE AMENDMENT. MOTION WAS SECONDED BY MS. KIM WASSIM.**

**Ayes:** Ms. Goodhouse, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim, Mr. Sandal, Representative Anderson, Ms. Arvy Smith and Chairman Strinden.

**Nays:** None

**Absent:** Senator Dever

**MOTION PASSED**

**Actuarial Transition Update**

Ms. Schiermeister provided an overview of recent transition services from GRS to Segal and the related costs for Segal.

**MR. WASSIM MOVED TO APPROVE THE PAYMENT TO SEGAL IN THE AMOUNT OF \$49,043.75. MOTION WAS SECONDED BY REPRESENTATIVE ANDERSON.**

**Ayes:** Ms. Goodhouse, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim, Mr. Sandal, Representative Anderson, Ms. Arvy Smith and Chairman Strinden.

**Nays:** None

**Absent:** Senator Dever

**MOTION PASSED**

**GROUP INSURANCE**

**Sanford**

Mr. Klepatz, Sanford Health Plan (SHP), reviewed the Quarterly Executive Summary with the Board which covered the third quarter of 2016. Mr. Klepatz reviewed the annual membership summary, membership trend, PMPM summary, fitness center reimbursement, health assessment, paid claims per contract, prescription drug metrics, wellness program activities, and performance standards and guarantees.

Mr. Wynstra, SHP, presented information relating to claims analysis, membership and utilization, paid per member per month trend per quarter, paid claims by state, member risk profile and utilization, high dollar cases and prescription drug information.

Mr. Weiss, SHP, provided a pharmacy update including generic utilization, specialty pharmacy, and monthly drug spending by drug category.

Mr. Klepatz, Mr. Wynstra and Mr. Weiss fielded a number of questions from the Board throughout the Executive Summary review.

Mr. Steve Webster, Sanford Health Plan Client Services team introduced himself to the Board and provided information to the Board relating to this background and experience.

#### **Rebate**

This item was deferred to March board meeting.

#### **Re-projection**

Mr. Wynstra discussed the re-projection of the premium as required as part of Sanford Health Plan renewal. He indicated that upon review no change in premium amount would occur.

#### **Late Claims**

Mr. Klepatz explained Section 7 of the NDPERS Certificate of Insurance pertaining to paying late claims and the 180-day timely filing limit and how Sanford handles this process. Discussion followed.

Mr. Collins indicated that it may be necessary to move into Executive Session for discussion of glucometers.

**MS. WASSIM MOVED THAT THE BOARD ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §§ 44-04-18.4(2)(a) and 44-04-19.2(1) TO DISCUSS CONFIDENTIAL COMMERCIAL INFORMATION RELATED TO GLUCOMETERS. THE MOTION WAS SECONDED BY MS. GOODHOUSE .**

**Ayes:** Representative Anderson, Senator Dever, Ms. Goodhouse, Mr. Sandal, Ms. Arvy Smith, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim and Chairman Strinden.

**Nays:** None

**Absent:** None

#### **MOTION PASSED**

All members named above were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:10 a.m.

The Board returned to open session at 10:35 a.m.

**BY GENERAL CONSENSUS THE BOARD ADVISED THE NDPERS STAFF ON HOW TO PROCEED REGARDING GLUCOMETERS.**

#### **Disease Management**

This item was moved to later on the agenda.

**Retiree Dental/Vision Special Enrollment**

This item was moved to later on the agenda.

**Life RFP**

This item was moved to later on the agenda.

**2016 Sanford Claims Review**

This item was moved to later on the agenda.

**MISCELLANEOUS**

**Legislative Update**

Mr. Collins provided an overview of substantive changes in a number of sections of HB1023 and a summation of the effects of amendments, and also an update on SB 2053 and amendments. Discussion followed.

**BY GENERAL CONSENSUS THE BOARD ADVISED STAFF ON HOW TO PROCEED. SPECIFICALLY THE BOARD NOTED ITS OPPOSITION TO SECTIONS 5 & 33 OF THE BILL. IN ADDITION THE BOARD FELT IT COULD NOT SUPPORT SECTIONS 8 & 32 OF THE BILL. THE BOARD TOOK NO POSITION ON SECTIONS 27 & 28.**

**Election**

This item was moved to later on the agenda.

**GROUP INSURANCE (continued)**

**Disease Management**

No questions or board discussion regarding the disease management memo.

**Retiree Dental/Vision Special Enrollment**

Ms. Fricke outlined dental and vision plan information and options regarding the portability of the RHIC benefit and special enrollment choices for retirees.

**MS. ARVY SMITH MOVED APPROVAL OF SPECIAL ENROLLMENT FOR DENTAL AND VISION TARGETING RETIREES THAT BEGAN RECEIVING A BENEFIT PRIOR TO JULY 1, 2015, AND TO MODIFY STATE LAW NEXT LEGISLATIVE SESSION TO ALLOW RHIC TO BE USED TOWARDS ANY DENTAL OR VISION PLAN. THE MOTION WAS SECONDED BY MR. SANDAL.**

**Ayes:** Ms. Goodhouse, Mr. Sandal, Ms. Arvy Smith, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim and Chairman Strinden.

**Nays:** None

**Absent:** Representative Anderson, Senator Dever

## **MOTION PASSED**

Ms. Arvy Smith announced she is stepping down from the Board and that the State Health Officer Mylynn Tufte will be serving on the Board beginning with the March 16<sup>th</sup> meeting. The Board expressed thanks and gratitude to Ms. Smith and presented her with a plaque in appreciation of 15 years of dedicated service to the NDPERS Board.

### **Life RFP**

Mr. Collins indicated that the Board may need to go into Executive Session.

**MS. YVONNE SMITH MOVED THAT THE BOARD ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §§ 44-04-18.4(6), 44-04-19.1(9), and 44-04-19.2 TO DISCUSS EXEMPT MATERIAL AND NEGOTIATING STRATEGY. THE MOTION WAS SECONDED BY MR. TROY SIEBEL.**

**Ayes:** Representative Anderson, Senator Dever, Ms. Goodhouse, Mr. Sandal, Ms. Arvy Smith, Ms. Yvonne Smith, Mr. Seibel and Ms. Wassim.

**Nays:** None

**Absent:** Chairman Strinden

## **MOTION PASSED**

All members named above were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 12:05 p.m.

The Board returned to open session at 12:25 p.m.

**BY GENERAL CONSENSUS THE BOARD ADVISED NDPERS STAFF ON HOW TO PROCEED WITH THE LIFE PLAN RFP.**

### **GROUP INSURANCE (continued)**

#### **2016 Sanford Claims Review**

No questions or Board discussion.

### **DEFERRED COMPENSATION**

#### **RFP Update**

No questions or Board discussion.

### **MISCELLANEOUS (continued)**

#### **Board Election**

Ms. Steffes informed the board that Mr. Sandal's term is ending on June 30, 2017. The Board will need to appoint a committee of three to oversee the election process and also appoint one of the members as the chair.

**MS. YVONNE SMITH MOVED THAT THE BOARD APPOINT MS. WASSIM, MR. SEIBEL, AND MS. GOODHOUSE TO THE ELECTION COMMITTEE AND MR. SEIBEL SERVE AS CHAIR OF THE COMMITTEE. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Ms. Goodhouse, Mr. Sandal, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim and Chairman Strinden.

**Nays:** None

**Absent:** Representative Anderson, Senator Dever and Ms. Arvy Smith

**MOTION PASSED**

### **EXECUTIVE SESSION**

#### **Deferred Compensation Hardship Case #385**

Mr. Collins indicated that it is not necessary to go into Executive Session.

Ms. Steffes provided information relating to a participant's withdrawal request. Discussion followed.

**MR. SANDAL MOVED THAT THE BOARD DENY THE HARDSHIP WITHDRAWAL REQUEST ON THE BASIS THAT NO FINANCIAL EMERGENCY WAS IDENTIFIED. THE MOTION WAS SECONDED BY MR. SIEBEL.**

**Ayes:** Ms. Goodhouse, Mr. Sandal, Ms. Yvonne Smith, Mr. Seibel, Ms. Wassim and Chairman Strinden.

**Nays:** None

**Absent:** Representative Anderson, Senator Dever and Ms. Arvy Smith.

**MOTION PASSED**

Chairman Strinden called for any other business or comments. Hearing none, the meeting adjourned at 12:38 p.m.

Prepared by,

Jan Lund  
Assistant to the Board